ance to the low-paid subordinates accounts for the increase thereunder.

The budget estimate of receipts for 1105 is fixed at Rs. 1,99,640 as against the revised estimate of Rs. 1,98,410 the increase anticipated being under 'Interest' based on the actual investments.

The expenditure for the next year is fixed at Rs. 2,03,980 which is in excess of the revised estimate by Rs. 3,300, the heads mainly responsible for the increase being 'Agriculture and Panchayats' and 'Miscellaneous'. The increase under the former is due to the larger provisions made under 'Communications' and 'Water supply' and the increase under 'Miscellaneous' to the lump provision made for the re-organisation of the Departments following that made in the State Budget. According to the budget estimate, the transactions of the year are expected to result in a deficit of Rs. 4,340. The finances of Cranganur have been for the past few years causing great anxiety to the Government. The sources of the revenues of the Principality are inelastic in their nature, and it is with the greatest difficulty that the Government have been keeping the expenditure within the income. In framing the revised estimate for the current year, and the budget for the coming year, it has not been possible to avoid a deficit, much as the Government would have liked to do it, with due regard to the growing demands of the several Departments. However, the revised and budget estimates are only anticipations and it remains to be seen how the actuals work out.

The year 1105 is expected to close with a net asset of Rs. 3,15,357 to the credit of the Principality as against Rs. 3,25,967 according to the actuals of 1103 and Rs. 3,22,697 as per the revised estimate of 1104.

Conclusion.

Sir, I have now given to the House all the secrets of the budget of 1105. It may not be a spectacular budget, but it cannot be denied that it is a budget which again provides for a considerable measure of progress in all directions affecting the welfare of the people—under Agriculture and Panchayats, Co-operation, Education, Medicine, Public Works, Industries, Uplift of the Depressed Classes, etc. Government are not unaware of the immensity of the needs that have yet to be met; they also feel as strongly as the Members on the opposite side the growing intensity of the demands that they should be met; but they are only sorry for the inadequacy of their resources to meet them. It shall be our constant endeavour to advance the true interests of the people with the resources at our disposal, and I feel sure that we can confidently count upon your hearty co-operation and

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advice in this direction. In conclusion, it is once more my pleasant duty to express my grateful acknowledgment of the zealous manner in which the duties entrusted by the Council were discharged by the Members of the Standing Finance Committee to which we look and not in vain for advice and support.

President's Statement on the budget for 1105 M. E.

President.—Now that the Finance Member has explained the budget, I would like, with your kind permission, to make a short statement thereon. As is usually the case with our Finance Member, the speech delivered by him contains matters of great interest and importance, and his exposition thereof is concise, clear and convincing. Let me, therefore, congratulate him most heartily for his successful performance on this occasion also.

I do not wish to travel the ground over again, but there are certain features in the financial position upon which I desire to lay special emphasis. Let me, in the first place, advert to the so-called State surplus, which, at the end of 1104, is expected to amount to Rs. 88·62 lakhs. It has been, at times, designated a "hoarded surplus" implying thereby that the Government was pursuing an unsound financial policy, and such hoarding up was the result of bankruptcy in statesmanship. It has not infrequently been hinted that the present Executive Head of the administration is pursuing an over-cautious policy, always counting his rupees, annas and pies, and he wishes to make a huge total at the end of the year without caring for the progress of the State particularly on the development side. I made an earnest endeavour to investigate this charge and resolved upon examining with the Finance Member the facts as they really stood. From the figures given in the Finance Member's speech, it will appear that, after taking into account the amount required for ordinary treasury requirements, departmental advances and giving credit for long-term investments, etc., there is only a balance of Rs. 37·15 lakhs available, and, out of this, a sum of Rs. 28 lakhs will have to be paid as reclamation charges of the backwaters around Venduruthi as soon as the demand is made therefor. When the figures are examined and the true facts ascertained, it will be found that we have no reason to congratulate ourselves on "hoarded surpluses." On the other hand, the Government has been obliged to go in for a loan of a substantial amount for carrying out the scheme of conversion of the Railway into broad-gauge. Such being the real situation, I would request the Hon'ble Members not to go away with the impression that the Government has a hoarded surplus and is pursuing the unsound policy of making additions to the

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